

## Message Text

CONFIDENTIAL

PAGE 01 BONN 09594 01 OF 02 160955Z

21

ACTION OES-02

INFO OCT-01 SS-14 ISO-00 EUR-08 NEA-07 IO-03 L-01 H-02

INR-05 PM-03 PRS-01 SP-02 NSC-05 NSCE-00 CIAE-00

DODE-00 OMB-01 ACDA-10 EB-03 INRE-00 SSO-00 /068 W

----- 053315

O P 160942Z JUN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 0766

INFO AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY OTTAWA PRIORITY

USMISSION EC BRUSSELS PRIORITY

USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BONN 09594

LIMDIS

E. O. 11652: GDS

TAGS: TECH, PK

SUBJECT: NUCLEAR ENERGY COOPERATION WITH PAKISTAN

1. SUMMARY: IN CONVERSATION WITH KRATZER IN VIENNA, PAKISTAN ATOMIC ENERGY COMMISSION CHAIRMAN MUNIOR KHAN STATED GOP WISHES TO INITIATE DISCUSSIONS ON NEW US-GOP NUCLEAR AGREEMENT TO COVER POSSIBLE PURCHASE OF US TYPE LIGHT WATER ENRICHED URANIUM POWER REACTOR FOR PAKISTAN. KHAN ALSO ASSERTED PAKISTAN IS PREPARED TO PLACE ALL NUCLEAR FACILITIES, INCLUDING FRENCH FURNISHED REPROCESSING PLANT, UNDER IAEA SAFEGUARDS, ALTHOUGH IT IS NOT PREPARED TO BECOME PARTY TO NPT UNTIL INDIA DOES SO. KHAN CRITICIZED US URANIUM DISTRIBUTION POLICY, CONTENDING IT HAS SHORTENED US PERIOD OF PREDOMINANCE AS SUPPLIER, AND REINFORCED INTEREST IN NATURAL  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 09594 01 OF 02 160955Z

URANIUM REACTORS. END SUMMARY.

2. IN CONVERSATION HELD AT HIS REQUEST, MUNIR KHAN, CHAIRMAN OF PAKISTAN ATOMIC ENERGY COMMISSION, AND PAKISTANI MEMBER OF IAEA BOARD OF GOVERNORS, INFORMED KRATZER IN VIENNA THAT PAKISTAN IS INTERESTED IN INITIATING DISCUSSIONS ON RENEWAL OF BILATERAL NUCLEAR COOPERATION WITH U.S.. (BILATERAL NUCLEAR AGREEMENT WITH PAKISTAN, UNDER WHICH RESEARCH REACTOR AND RESEARCH REACTOR FUEL WERE SUPPLIED WAS ALLOWED TO EXPIRE NUMBER OF YEARS AGO, AND SUBSEQUENT FUEL SUPPLIERS HAVE TAKEN PLACE THROUGH IAEA UNDER TRILATERAL AGREEMENT). KHAN EXPLAINED THAT CANADIAN SUPPLIED NUCLEAR POWER REACTOR AT KARACHI HAS RECENTLY SUFFERED 6 TON LOSS OF HEAVY WATER AND IS SHUT-DOWN FOR INSPECTION AND REPAIRS. AS RESULT, PAKISTANIS NOW HAVE SERIOUS DOUBTS ABOUT ATTRACTIVENESS OF HEAVY WATER SYSTEM. (IN RECENT WASHINGTON DISCUSSIONS, CANADIANS ATTRIBUTED PAKISTANI PROBLEMS WITH CANADIAN REACTOR TO PAKS INEPT OPERATION), AND PAKISTAN HAS DECIDED TO OPEN BIDDING ON NEXT 600 MW NUCLEAR STATION TO BOTH HEAVY WATER AND LIGH WATER SYSTEMS ON NON-DISCRIMINATORY BASIS. SPECS FOR BIDDING HAVE BEEN DRAWN BY US NUCLEAR CONSULTING FIRM NUS, AND BOTH GE AND WESTINGHOUSE REPS HAVE BEEN IN CONTACT WITH PAKISTAN. KHAN INDICATED THAT EXIM BANK HAS BEEN APPROACHED INDIRECTLY THROUGH US EMBASSY ISLAMABAD.

3. KHAN STRESSED THAT PAKISTAN WAS DETERMINED TO ACHIEVE ENERGY INDEPENDENCE AND WAS UNWILLING TO RELY SOLELY ON OIL, INCLUDING THAT SUPPLIED BY MIDDLE EAST COUNTRIES. NUCLEAR PROGRAM IS IMPORTANT ELEMENT OF ENERGY DIVERSIFICATION POLICY, AND PAKISTAN WOULD LIKE TO INSTALL MOST ECONOMICAL AVAILABLE UNITS WITHOUT REGARD TO FUEL TYPE, PROVIDED REASONABLE ASSURANCES OF SECURITY OF SUPPLY CAN BE OBTAINED. IF THIS LEADS TO SELECTION OF LIGHT WATER REACTORS OF US TYPE, PAKISTAN WILL REQUIRE NEW COOPERATION AGREEMENT WITH

CONFIDENTIAL

PAGE 03 BONN 09594 01 OF 02 160955Z

US, BUT DOES NOT WANT TO BE THE FIRST COUNTRY IN THE REGION TO REACH SUCH AGREEMENT. FOR THIS REASON, ACCORDING TO KHAN, GOP HAS BEEN AWAITING DEVELOPMENTS IN US-IRANIAN NUCLEAR NEGOTIATIONS BEFORE APPROACHING US. IN LIGHT OF NUMEROUS RECENT STATEMENTS ON CHANGES IN US POLICY IN NUCLEAR COOPERATION, HE ASKED FOR CLARIFICATION OF US ATTITUDE TOWARD COOPERATION WITH COUNTRIES SUCH AS

PAKISTAN.

4. KRATZER RESPONDED THAT US CONTINUES TO HAVE  
STRONG INTEREST IN PEACEFUL NUCLEAR COOPERATION UNDER  
SAFEGUARDS, BUT THAT IN VIEW OF RECENT  
DEVELOPMENTS THERE WERE SERIOUS CONCERNS ABOUT SOME  
ASPECTS OF NUCLEAR COOPERATION. MUCH OF THIS CONCERN

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BONN 09594 02 OF 02 160957Z

21

ACTION OES-02

INFO OCT-01 SS-14 ISO-00 EUR-08 NEA-07 IO-03 L-01 H-02

INR-05 PM-03 PRS-01 SP-02 NSC-05 NSCE-00 CIAE-00

DODE-00 OMB-01 ACDA-10 EB-03 INRE-00 SSO-00 /068 W

----- 053341

O P 160942Z JUN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 0767

INFO AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY OTTAWA PRIORITY

USMISSION EC BRUSSELS PRIORITY

USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 BONN 09594

LIMDIS

RELATED TO REPROCESSING, WHICH HAS POTENTIAL FOR  
MAKING PLUTONIUM MORE READILY AVAILABLE.  
ACCORDINGLY, KRATZER SAID, US WAS INTERESTED IN  
AVOIDING WIDESPREAD INTRODUCTION OF  
REPROCESSING CAPABILITIES. ONE APPROACH TO THIS WAS  
THE ENCOURAGEMENT OF REGIONAL REPROCESSING  
FACILITIES UNDER MULTINATIONAL MANAGEMENT  
AND OPERATION.

5. CHARACTERIZING COMMENT AS STRICTLY  
OFF THE RECORD, KHAN SAID THAT PAKISTAN HAS SPOKEN  
TO IRAN ABOUT THIS POSSIBILITY. HE WENT ON TO SAY,  
HOWEVER, THAT HE VIEWED MULTINATIONAL APPROACH AS  
UNREALISTIC, CITING GENERALLY UNFAVORABLE EXPERIENCE  
OF EUROCHEMIN PLANT IN BELGIUM. HE SAID THAT IT WAS  
IMPORTANT NOT ONLY TO PAKISTAN BUT TO MANY OTHER  
COUNTRIES TO BE ABLE TO HAVE FULL CONTROL OF  
NUCLEAR FUEL CYCLE WITHIN THEIR OWN BORDERS. HE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 09594 02 OF 02 160957Z

STRESSED, HOWEVER, (REPEATING POINT SEVERAL TIMES IN  
CONVERSATION) THAT PAKISTAN WAS WILLING TO PLACE  
ITS REPROCESSING AND ALL OTHER NUCLEAR FACILITIES,  
LARGE AND SMALL, UNDER IAEA SAFEGUARDS. ONLY  
INTRANSIGENCE OF NEIGHBOR STOOD IN WAY OF PAKISTAN  
BECOMING PARTY TO NPT, AND THEY WERE PREPARED TO DO  
SO ON MOMENTS NOTICE IF INDIA DID SO. HE ALSO POINTED  
OUT THAT PAKISTANI INTEREST IN US LIGHT WATER  
REACTORS IS IN ITSELF INDICATIVE OF PAKISTAN'S GOOD  
INTENTIONS, SINCE HEAVY WATER REACTORS ARE MORE  
CONVENIENT SOURCE OF MORE USEFUL GRADE OF PLUTONIUM  
FOR WEAPONS PURPOSES.

6. KRATZER POINTED OUT THAT SINCE REPROCESSING AND  
PLUTONIUM RECYCLE IN FACT ONLY REDUCED ENRICHED  
URANIUM REQUIREMENTS BY 15-20 PERCENT, AND THAT  
ECONOMICS OF REPROCESSING EXCEPT ON VERY LARGE SCALE  
WERE DOUBTFUL TO SAY THE LEAST, IT WAS NOT CLEAR WHY  
SO MUCH IMPORTANCE WAS NOW BEING PLACED ON  
AVAILABILITY OF NATIONAL REPROCESSING FACILITIES. IF  
COUNTRIES CAN SECURE 80 PERCENT OF THEIR  
ENRICHMENT SUPPLIES, HE POINTED OUT, THERE IS LITTLE  
REASON TO DOUBT THAT THEY WILL BE ABLE TO SECURE 100  
PERCENT OF REQUIREMENTS.

7. KHAN RESPONDED BY STRONGLY QUESTIONING CURRENT  
US POLICY TRENDS ON SUPPLY OF ENRICHED URANIUM,  
WHICH HE ATTRIBUTED TO CONGRESSIONAL PRESSURES. HE  
ASSERTED THAT IF US HAD FOLLOWED MORE  
"REASONABLE" AND "FLEXIBLE" POLICY IN PAST ON  
SUPPLY OF ENRICHED URANIUM, US "PREPONDERANCE" AS  
SUPPLIER COULD HAVE BEEN GREATLY LENGTHENED. INSTEAD,  
OBSERVING THAT BASIC NUCLEAR TECHNOLOGY IS NOW  
30 YEARS OLD, KHAN NOTED THAT A NUMBER OF OTHER  
COUNTRIES WERE BECOMING ACTIVE IN ENRICHED  
URANIUM SUPPLY SYSTEM. HE ALSO CONTENDED THAT WERE  
IT NOT FOR ECONOMIC ADVANTAGES OF ENRICHED SYSTEMS,  
WORLD-WIDE PREFERENCE WOULD BE FOR NATURAL URANIUM  
REACTORS. HE CHARACTERIZED CANADIANS AS FOOLISH FOR  
NOT HAVING BROUGHT OTHER INDUSTRIALIZED COUNTRIES

INTO MANUFACTURE AND SALE OF THEIR HEAVY WATER  
REACTOR SYSTEM, SINCE THIS SYSTEM IS NOW AVAILABLE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 09594 02 OF 02 160957Z

FROM ONLY A SINGLE SOURCE, I.E. CANADA ITSELF, AND  
CANADIANS DID NOT HAVE SUFFICIENTLY STRONG  
ENGINEERING AND MANUFACTURING RESOURCES TO GIVE  
SYSTEM SUPPORT WHICH LARGE INTERNATIONAL MARKET  
REQUIRES.

8. KRATZER ASSURED KHAN THAT THEIR INTEREST IN  
EXPLORING NEW BILATERAL AGREEMENT WOULD BE  
CONSIDERED AND A RESPONSE WOULD BE COMMUNICATED  
THROUGH US EMBASSY ISLAMABAD. KRATZER ALSO  
ENQUIRED STATUS OF PAK PURCHASE OF PILOT  
REPROCESSING PLANT FROM FRENCH. KHAN RESPONDED THAT  
ARRANGEMENT IS GOING FORWARD.  
CASH

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, NUCLEAR COOPERATION PROGRAMS, NUCLEAR SAFEGUARDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JUN 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BONN09594  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750208-0956  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750644/aaaabnwn.tel  
**Line Count:** 245  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION OES  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07 APR 2003 by BoyleJA>; APPROVED <09 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NUCLEAR ENERGY COOPERATION WITH PAKISTAN  
**TAGS:** TECH, PK, US, (KHAN, MUNIOR)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006